## Specialty Crop Block Grant Program-Farm Bill Post Award Question and Answer Webinar – May 12, 2011

Trista Etzig began the webinar by reviewing the home page of the Specialty Crop Block Grant Program – Farm Bill (SCBGP-FB) at www.ams.usda.gov/scbgp, where you can find the fiscal year 2011 Award Terms and Conditions, Sample Performance Report, Sample Amendments, and Post-Award Audio and Video Presentation.

#### **Specialty Crop Block Grant Post-Award Information**

- Award Terms and Conditions (<u>PDF</u>)
- Guidance Document (<u>PDF</u>) En Español (<u>PDF</u>)
- Sample Performance Report (PDF) and Checklists (PDF)
- Sample Amendments (PDF) and Guidance (PDF)
- Post-Award Audio and Video Presentation (PDF) Turn on speakers to hear audio portion and click on "CC" button to view closed captioning
- Subgrantee Monitoring Resources (PDF)
  - Quarterly Grant Outreach Documents (PDF)
    - Spring 2011 Outreach Document (PDF) answers the following questions:
      - What information is typically in a grant agreement?
      - What information is required in performance reports and prior approval requests (amendments)?

After performing a tour of the SCBGP-FB website, Trista opened the webinar up for a question and answer session concerning the post award management of SCBGP-FB grants. The following questions were asked during this time:

#### Q. Why are there different versions of the Award Terms and Conditions posted on the website?

When there are new grant requirements, the award terms and conditions are updated with these new requirements. Your Grant Agreement references the date of the applicable Award Terms and Conditions that apply to that grant award. Grants from prior years are still subject to the earlier versions of the Award Terms and Conditions, as referenced in your Grant Agreement.

### Q. Do individuals need to have a DUNS number in order to be awarded FY11 SCBGP-FB funds?

The DUNS number requirement does not apply to individuals receiving grant awards. DUNS numbers are required for first-tier grants defined as an entity one level below the State Agency.

#### Entity is defined as a:

- a) A Governmental organization, which is a State, local government, or Indian Tribe;
- b) A foreign public entity;
- c) A domestic or foreign nonprofit organization;
- d) A domestic or foreign for-profit organization; and
- e) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

#### Q. Is reporting sub-awardee information to the www.fsrs.gov a new requirement this next year?

For this year's grant program (FY11), the State Agency must report every first-tier subaward that obligates \$25,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System found at <a href="https://www.fsrs.gov">www.fsrs.gov</a>. First-tier grants are awarded to an entity one level below the State Agency.

The applicable subawards must be reported no later than the end of the month following the month in which the obligation was made. For example, if the obligation was made on November 7, 2011, the obligation must be reported no later than December 31, 2011.

This requirement does not apply to individuals.

### Q. Will the SCBGP-FB be responsible for making sure all of the State department of agriculture grantees report to <a href="www.fsrs.gov">www.fsrs.gov</a>?

Yes. We will probably be notified if a State department of agriculture does not comply with the subgrantee reporting requirements.

### Q. Will the State department of agriculture grantees be required to report Congressional Districts to www.fsrs.gov?

The Federal Funding Accountability and Transparency Act (FFATA) prescribes the following specific pieces of information to be reported to www.fsrs.gov:

- 1. The following data about sub-awards greater than \$25K:
  - a. Name of entity receiving award
  - b. Amount of award
  - c. Funding agency
  - d. NAICS code for contracts / CFDA program number for grants
  - e. Program source
  - f. Award title descriptive of the purpose of the funding action
  - g. Location of the entity (including congressional district)
  - h. Place of performance (including congressional district)
  - i. Unique identifier of the entity and its parent; and
  - j. Total compensation and names of top five executives (same thresholds as for primes)
- 2. The Total Compensation and Names of the top five executives if:
  - a. More than 80% of annual gross revenues come from the Federal government, and those revenues are greater than \$25M annually and
  - b. Compensation information is not already available through reporting to the SEC.

Classified information is <u>exempt</u> from the prime and sub-award reporting requirement as are contracts with individuals.

Definitions for data elements may be found beginning October 1, 2010 at the data dictionaries maintained on <a href="https://www.USAspending.gov">www.USAspending.gov</a>.

### Q. Where can I find frequently asked questions about the Federal Funding Accountability and Transparency Act (FFATA) and reporting sub-awardee information in <a href="https://www.fsrs.gov">www.fsrs.gov</a>?

Frequently asked questions can be found at <a href="https://www.fsrs.gov/#a-faqs">https://www.fsrs.gov/#a-faqs</a>.

### Q. Please define employee's total compensated activities with regard to supporting salaries and wages charged to a grant for an employee who works on multiple activities.

Employees who work on multiple activities and charge part of their time to a SCBGP-FB grant must support their salaries and wages with activity reports that:

- include after-the-fact reporting of actual distribution of activities,
- account for the employee's total compensated activities,
- include the employee's signature,
- be prepared at least monthly and coincide with one or more pay periods, and
- be kept in the State Agency's grant files for review by the Specialty Crop Block Grant Program Farm Bill.

Salaries and wages shall be based on documented payrolls in accordance with generally accepted State practices.

The State department of agriculture in their State Plan under the Grant Administration section describes the State department of agriculture's oversight practices that provide sufficient knowledge of subgrantee activities to ensure proper and efficient administration. This may include charging salaries, benefits, travel, supplies, etc. to the grant. The activity reports should adequately reflect the amount of time the employee is budgeted to work on the grant. For example, in the approved State Plan, if an employee was budgeted to work 50% of his/her time on the FY11 grant and this included charging salaries, benefits and travel, the activity reports should document these charges by accurately documenting the hours worked on the grant.

### Q. Are subgrantees required to support their salaries and wages charged to all SCBGP and SCBGP-FB grant with activity reports?

Yes. Subgrantees are required to comply with Federal Assistance Regulations and should also keep accurate documentation on charges to the grant.

Q. How do we weave the 7 CFR 3015 (Uniform Federal Assistance Regulations), Specialty Crop Competitiveness Act 2004 (authorizing statute) and 7 CFR 1291 (Specialty Crop Block Grant Program – Farm Bill Final Rule) into the post-award management processes?

These regulations and statute should be referenced in your subgrant agreements and the State department of agriculture must make sure subgrantees are aware of the requirements imposed upon them by the Federal statutes and regulations and policy requirements.

#### Q. Can farmers' market projects be funded under the SCBGP-FB?

These projects are eligible as long as the funding is being used to **solely** enhance the competitiveness of specialty crops. If submitting a farmers' market project, you must indicate in the Project Purpose section of the project proposal how the applicant will ensure that all grant funding is being used to solely enhance the competitiveness of eligible specialty crops. This may involve estimating the benefit to non-specialty crops, and using matching funds to cover that portion. The State department of agriculture must monitor farmers' market projects very closely during project execution to confirm that the sub-recipient is following their plan to ensure all funding solely benefits specialty crops. When submitting a performance report for this project, the report should clearly show how funding solely benefits specialty crops. If it is found by the SCBGP-FB during review of the performance report or during a site visit that funding was used to support other non-specialty crops, the State department of agriculture is responsible for returning these funds to the SCBGP-FB or reallocating these funds to solely benefit specialty crops.

### Q. Do site visits apply to just the state agency or to the sub awardees?

State agencies are strongly encouraged to conduct site visits of their subgrantees. SCBGP-FB periodically conducts site visits of the state. In any event, reference should be made in the grant agreement to the federal regulations regarding retention and access to documents and information (7CFR 3016.42).

### Q. Is it possible to receive a pre-award letter so that individuals' salaries that are preparing the sub grant awards, state plans, etc. can be charged against the appropriate grant?

We do not prepare pre-award approval letters. However, pre-award costs are allowable, but must be included in the approved State Plan under the Grant Administration section. Once the State Plan is approved by the SCBGP-FB, these pre-award costs are approved. Aside from their inclusion in the State Plan, states probably deal with them differently, depending on their own internal accounting procedures. One state mentioned that they have a revolving account that allows them to use state funds to cover pre-award costs, and then when the grant agreement is signed and they request funds from the SCBGP-FB, they reimburse their state revolving account.

### Q. How do States communicate post-award management requirements to their sub-grantees? Is there anything that is working well?

Answers that were received by the State departments of agriculture were:

- Include the requirements in a Grants Procedures Manual that is provided to all sub-awardees and posted on a website
- Provide a PowerPoint presentation to all sub-awardees and make it mandatory that they attend a conference call to review the presentation and requirements
- Reference the requirements in subgrantee contractual arrangements. (Please see the <u>Spring 2011 Quarterly Outreach Document</u> that includes helpful information on what to include in your sub-grantee contractual arrangements.)
- Conduct one-on-one sub-grantee training

### Q. How do States ensure that project changes requiring SCBGP-FB approval (changes in scope and budget changes over 20%) are communicated and understood by their subgrantees?

Answers that were received by the State departments of agriculture were:

- Include the requirements in a Grants Procedures Manual
- Reference the requirements in subgrantee contractual arrangements so that all sub-awardees know that they need to notify the State department of agriculture if changes requiring SCBGP-FB approval are made
- Conduct one-on-one sub-grantee training
- Provide templates to sub-grantees (See (PDF) for Sample Amendments and Guidance (PDF))

Please see the <u>Spring 2011 Quarterly Outreach Document</u> that includes helpful information on preparing and submitting prior approval changes.

#### Q. How do States manage funding that the subgrantee does not expend by the end of their project?

Answers that were received by the State departments of agriculture were:

- Set grant periods for sub-grantees less than the maximum three calendar years in length so that
  the State Agency has extra time before their grant period ends at the end of three calendar
  years to reallocate any funds that the subawardee does not obligate
- Inquire of subgrantees on a regular basis if they are going to expend all their funding

#### Q. How do States communicate performance report requirements and timing to their subgrantees?

Answers that were received by the State departments of agriculture were:

- Include in Grants Procedures Manual
- Conduct one-on-one sub-grantee training
- Provide templates to sub-grantees (See (<u>PDF</u>) Sample Performance Report and Checklists (<u>PDF</u>))
- Send reminders to sub-grantees 30 days and again 15 days before the performance report due dates
- Include the requirements and timing of reports in subgrantee contractual arrangements
- Provide checklist to sub-grantees to initial and sign that they understand when their reports are due
- Require final performance reports three months prior to the end of the State department of
  agriculture's grant period so that the state can review the reports, ask questions, and have the
  sub-grantee revise the report if needed

We encourage the State Agency to require performance reports from their sub-grantees prior to USDA's report deadline to ensure all required information is submitted and if needed, require revisions from their subgrantees before submitting the performance Report to the SCBGP-FB for review. Also, please consider the format for submitting the reports. For example, if quick format changes need to be made to a report or to easily combine all project proposals in one document, it might be beneficial to have

subgrantees submit their reports in Microsoft Word. Please see the <u>Spring 2011 Quarterly Outreach</u> <u>Document</u> that includes helpful information on preparing and submitting performance reports.

### Q. Can States withhold payments from sub-grantees?

Yes, States can withhold payments as long as the State department of agriculture is citing applicable Federal Assistance Regulations in their sub-grantee contractual arrangements (see the SCBGP-FB Award Terms and Conditions for Applicable Regulations to include in your sub-grantee contractual arrangements). Pursuant to 7 CFR § 3016.21, the State Agency may withhold payments to a recipient organization if the subgrantee has failed to comply with grant award conditions. If the State department of agriculture's contractual arrangements includes requirements and timing for submitting performance reports and a sub-grantee does not meet those requirements, the state can withhold payments. Cash withheld for failure to comply with a grant award condition shall be released to the subgrantee upon subsequent compliance. Please see the Spring 2011 Quarterly Outreach Document that includes helpful information on what to include in your sub-grantee contractual arrangements.

# Q. Are the state grant allocations in the SCBGP-FB fiscal year 2011 Notice that was published on January 4 in the *Federal Register* estimated allocations? If so, when will we receive final grant allocations?

The grant allocations are estimated. We anticipate that the allocations will change from what was published in the Notice. Once we receive approval of the fiscal year 2011 funding, we will notify all State departments of agriculture of their final grant allocation immediately via email and phone call.

### Q. Should a State department of agriculture wait to apply until the final grant allocations are provided?

We encourage State departments of agriculture to submit their grant application after the final grant allocations are known for fiscal year 2011. If a grant application is submitted based on the estimated grant allocations in the Notice and the grant allocation goes up, the State department of agriculture will have to revise their grant application if they want to apply for the increased funding. If the grant allocations are decreased, the State department of agriculture will be required to amend their grant application to account for the decreased grant allocation.

#### Q. Will the grant application deadline change for fiscal year 2011?

We don't anticipate the application deadline changing; just the estimated grant allocations published in the fiscal year 2011 Notice. The application deadline is July 13, 2011. Once the final grant allocations are provided to the State departments of agriculture, we encourage you to apply before the July 13, 2011 application deadline.

#### Q. Why do you ask for so much detail in the annual and final reports?

SCBGP is under an obligation to oversee the use of federal funds. To do so, we require information on how the funds are being used. In addition, we are frequently contacted by members of Congress and staff with questions on the current status of the program's work, its outcomes, and its successes. Using

information in the annual performance reports allows us to respond to these inquiries in a timely manner.

Final performance reports will ultimately be posted on our website and will be used by Congressional staffers and the general public to evaluate the success of the program. Therefore, these reports are your state's opportunity to highlight your successes, the benefit of the program in your state, and to really shine.

### Q. What is the process for review of the reports by the SCBGP-FB?

We look at the reports side by side with the approved state plan and any approved amendments. We make sure that you have reported on the work that you had planned to do, your progress towards achieving your expected measurable outcomes, and your impact on the beneficiaries in your state. We also verify that you are expending funds according to your budgets and timelines. Please see the <a href="Spring">Spring</a> 2011 Quarterly Outreach Document that includes helpful information on preparing and submitting performance reports.

### Q. When do I need to have all my funds obligated and expended for each grant?

All funds must be obligated by the expiration date of your grant agreement and expended 90 days after. If not, the unobligated funding will need to be returned to the SCBGP-FB. We encourage all State departments of agriculture to expend all their funding to benefit the specialty crop industry.